Preserved
(not to be destroyed)

G. R. S. IX-5]

Previous references.

S.F. 92-16 & 3-9. 1918-19
" B. Jan 17 (S.F)

File No. 65-18

Serial Nos. 1-7

Later references.

G.F. 65-18 N.S, B Jan 9/1919
" 167-19 " 112, B Jan 7/1920.
" 118-24-1 F 8

P 22F

Mcr. 20.11.18

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 1-7

Part B for September 1918

SUBJECT.

Purchase of Preference Shares (new issue) in the Tata Iron and Steel Co.

Sh. S.

To
The Comptroller
&
Palace Controller
No. M 1531-2 dated 14-9-18

Sanctions the proposal for opening S.B. accounts for the balance of P.S. Accounts and for allowing interest under S.B. rules.

M. Ramachandra Rao
26-9-18

W D 65—GPB—50,000—24-7-15

[G. R. S. 11] 1918.

GENERAL AND REVENUE SECRETARIAT.

(Gr 7)

NOTES.

File No. 65-18

FILE HEADING.

Purchase of Preference Shares. (new issue) in the Tata Iron and Steel Co^y.

From H. J. Bhabha, Esq^r. Bombay.

Do^o No. Dated 24. 8. 18. Received 26. 8. 18

Diary No. 564	Enclos.	Spare Copies.	Serial No. 1.

BRIEF ABSTRACT OF LETTER.

Requesting information as to whether the Govt. or the Palace propose to invest their funds in the new preference shares issue and stating that he will, if req^d, take any action thereon on their beh^f.

NOTES AND ORDERS.

Govt. do not hold any shares in the Co.^y now — Although present it is not also possible to provide any funds for investment in the concern by buying shares of the new issue, in view of the present ways & means position —

2.

NOTES—First Sheet. Whether the Palace will make any further investment

U. O. No.

FINANCIAL SECRETARIAT NOTES. (2

Subject 2

G. R. S. III-2]

General and Revenue Secretariat.

G. R. File No. 65 of 1918.

Serial No.

W

520
27/8

will have the assistance from the Palace Comptr. The Comptr is the officer in charge of all the 3 Palace Investments including Investments that in the Iron & Steel concern.

Yesey 18 22.8.18

3. To Comptr for favour of remarks both as regards State fund balances & P. E. Accounts balances. A reply has to go to Mr Bhabha within a week.

M. 27/8 27/8/18

4. Any investment of Government funds in these shares is out of the question. We are selling what securities we already hold for financing Capital Works and we have not sufficient funds for all the projects in contemplation. We ourselves have to borrow for our productive works and have no funds to lend to others.

5. 2. I note below the probable cash balance of the Personal Estate Accounts on 30-6-'19. If any special expenditure is anticipated in the current year to be met from these accounts, these balances will have to be correspondingly reduced.

Account of H.H.the Maharaja	Rs.	Nil
-do- Palace Special Fund	"	50,000
-do- of H.H.the Yuvaraja	"	2,00,000
-do- of the First Maharajkumari		70,000
-do- of the Third Maharajkumari		Nil
-do- of Rajakumar Desaraj Urs		2,90,000

NOTE—Contn. sheet.

3. There

WD 1233—GPB—60,000—1-12-16—S.

G. R. S. III-2

General and Revenue Secretariat. | S.F File No. 65 of 1918.

Serial No.

3. There is now only the following investment in the Tata Steel Company:-

Account of H.H. the Maharaja	Rs. 2,02,800.

6. 4. The old preference shares of this Company are of the face value of Rs.150 and they carry interest at 6 per cent. These are now quoted at Rs.140 to Rs. 142 i.e., below par . The interest to be allowed for the proposed preference shares is 7½ per cent but making allowance for income tax, the return will be about 7 per cent against about 6 per cent which the long term War Bonds yield, taking the bonus on redemption into account. The return on these shares is fixed and there is therefore no prospect of higher rates of dividend being obtained on them as in the case of the Ordinary and Deferred shares of this Company.

9. 5. The demand for money will I think continue to be very great for many years to come for making good the enormous loss and waste caused by the War and for the extensive industrial requirements of the future. With such demand the rate of interest will rule high in the future and in view of this, I do not consider that there is any special attraction in these shares.

M. Visvesvaraya
2-8-1918

NOTE—Contn. sheet.

WD 1233—GPB—60,000—1-12-16—S.

G. R. S. III-2]

General and Revenue Secretariat.

S. F. File No. 65 of 1918.

4 (4

Serial No.

Compte

8 Do we allow any interest on the savings of these P. F. accts?

9 Of course the pension due for the year which is payable out of the revenues of the year is credited on 1st July only as a convenient acct adjustment & it is not right to pay interest on an amount drawn practically as an advance. But if there are accumulated savings, why should interest be denied? We want to keep these amounts in the treasury & not encourage the holders to withdraw & invest elsewhere. The expenditure of the year current may be held to be met from the pension of the year current on which no interest shd be allowed. But there shd be no objn. to regard the balance at the credit of any acct on 30th June as savings for the purposes of the next year & allow interest. In fact the Compte may open regular S. B. accts with such balances & operate on them on behalf of the holders.

10 If the Compte will kindly give his views in the matter I shall have this point settled also.

M
28/8/18

I see no objection to open S.B. accts for the balances of the previous year and allow interest at S.B rate. Further there should also be no objection to credit to such accts receipts during the year other than the pension

Note—Contn. sheet.

WD 1233—GPB—60,000—1-12-16—S.

564

G. R. S. III-2]

General and Revenue Secretariat.

G. R. File No. 65 of 1918.

Serial No.

12. As explained by the Comptroller our ways & means position does not admit of any investments of the kind in question outside the State from State funds. On general economic grounds too the State shd reserve all its funds for the post-war industrial development & reconstruction within the State.

13 As regards the personal estate assets also unless the expected return is exceptionally favourable the money shd be kept for investment within the State if possible. After the war, there will be many opportunities for such investment in schemes which are now being matured by the Industries Dept & the Industries Committee. In the meantime to avoid loss to the P. E. assets interest at the Savings Banks rate of 5% will, if approved, be allowed on the balances of these assets as explained in the notes on the preceding sheet. As explained by the Comptr (and supr-tdt also in some cases) into account the return of the investment proposed cannot be regarded as so exceptionally favourable as to outweigh the reasons for preferring investments within the State.

28/8/18

14 I quite agree with the opinion expressed above both by the H. Lgt & the Comptroller in this matter. A suitable reply may perhaps be issued by Mr. Bhabha

NOTE—Contn. sheet.

WD 1233—GPB—60,000—1-12-16—S.

6(6

G. R. S. III-2]

General and Revenue Secretariat. | G. F. File No. 65 of 1918-19

Serial No.

after the receipt of their forgoing letter dated 1st to H.H. the Yuvaraja 15th regarding the question of investing the balances of the Personal Estate Funds in the Savings Bank & allowing them the usual rate of interest, I feel, nothing delicate to express any opinion officially. He prefers to wait for the passing orders of His Highness the Maharaja.

29/8/18

1252/29/8/18 Dewan)

18/29/8

NOTE—Contn. sheet.

P.T.O.

(7

Submitted to His Highness.

16 I submit the accompanying file of papers relating to a reference from Mr.H.J.Bhabha, Bombay, enquiring as to whether the Mysore Government or the Palace, propose investing any of their funds, in the new preference shares in the Tata Iron and Steel Company.

Paper under disposal

17 2. The matter has been considered in the Financial Department and both the Comptroller and the Financial Secretary have noted on the case.

Pages 2 to 5 of Office Notes

18 3. The Financial Secretary states that our ways and means position does not admit of any investments of the kind from State funds; and as regards the Personal Estate Accounts, he is of opinion that unless the expected return is exceptionally favourable, the money should be kept for investment within the State itself.

Page 5 of do

19 4. He further states that to avoid loss to the Personal Estate Accounts, interest at the Savings Bank rate of 5 per cent, will, if approved, be allowed on the balances of this account.

do do

20 5. The First Member of Council agrees with the opinions of the Financial Secretary and Comptroller.

Pages 5 & 6 of do

21 6. If the above proposals are approved, a reply will be sent to Mr. Bhabha accordingly. As regards the payment of interest at 5 per cent on the balances at the credit of Personal Estate Accounts, I think, the interest is due to them in the present state of the money market. The proposal may be sanctioned for one year at a time.

M. Visvesvaraya
2nd Sep 1918.

1872

Record of Cases submitted for the Orders of His Highness the Maharaja.

Subject.

Question of investing in the new preference shares in the Tata Iron and Steel Company, Government or Palace funds and proposal to allow Savings Bank interest at 5 per cent on the balances at credit of Personal Estate Accounts.

Order.

3. 9. 18.

5. 9. 18.

1) D.O. to Mr. Bhatia
2) Order to comply about interest on P.S. balances

564
786

9

G. R. S. III-2]

General and Revenue Secretariat. | 57 File No. 65 of 191[illegible].

Serial No.	
	29 Sand. with 2. Rapp for 2/9.
2.	From the Palace Controller No 22. 5 7. 9. a. Requests to be furnished with a copy of the notice of entry received from Messrs. Tata & Sons, re-performance Shares. H. Says orders— 1/9. Early. a brief reply stating action taken will do. Draft is put up as desired. A typed draft regarding the opening of S. B. account for P. Edwards is also put up Sahib 30 Remarks. Please compli- 11/9 ate. 18 11/9/18

NOTE—Contn. sheet.

WD A 1789—GPB—60,000—20-3-18—S.

G. R. S. III-2]

General and Revenue Secretariat. | 5 7 File No. 45 of 1918.

Serial No.	
	31 Send with the clean copy for 32 3 Drafts for approval 12/9.
	Mr Jeffery) 18 12/9/18.
688 13/9	Mr 13/9
	33 Secy 18 14/9
3	To Mr Bhabha No 1529 dt 14. 9. 18. States that the Govt of the holders of the Palace Estate accounts do not propose to invest funds in the Concern.
4.	To the Palace Controller No 1530 dt 14 9. 18 Informs the above & Co, forwards Copy of Govt order allowing S. B interest on the balances of P.C. accounts.

NOTE—Contn. sheet.

P. D. C.

WD A 1789—GPB—60,000—20-8-18—S.

G. R. S. III-2j

General and Revenue Secretariat. | 97 File No. 63 of 191 8.

Serial No.	
5	To The Comptroller. The Palace Controller. No H. 1531-2 dt 14. 9. 18 Sanctions the proposal for opening S. B. accounts for [illegible] the balance of P. D. accounts and for allowing interest under S. B. rules.
6	From the Palace Controller. D. O 325 dt 16. 9. 18 Forwards Copy of Mr. Bhabha's letter to the P.S. to H. H. regarding preference Shares. 3/4 H. Secy's remarks:- "The Subject seems to have been decided. Put up a draft reply early" 3/5 Submitted with draft D.O TSR 17/9 3/6 Please put up copy of the telegram issued also 18 18/9/18

NOTE—Contn. sheet.

G.R. S. III-2]

General and Revenue Secretariat.

57 File No. 65 of 1918.

Serial No.

The telegram was issued on the 14th instant as follows:—

"Yours number 22. Reply post to-day"

S(Ld) 36 Draft sent
Tel
20/9. H dtg)
Hy

18
23/9/18

Issue dispatch approved by H dtg

18
20/9

7. To The Palace Controller.
H. no. 1705 of 20.9.18
Acknowledges the receipt of 6 and forward a copy of 5 for ready reference

B

NOTE—Contn. sheet.

A.5576

294

Urgent & confidential

Pedder Road
Malabar Hill
Bombay
23 August 1918

My dear Lt. Viceroy,

The Tata Steel Company is issuing new Preference shares of 7 crores at 7½ per cent subject to income tax. In point of security these shares are as good as Govt of India securities and far more paying. The old shares issued upto date are of the value

of six crores, and the addition of the proposed Preference shares of 7½ crores will raise the capital of the Company to 13½ crores. The market value of the assets of the Company is of course unusually great. You will see therefore that as the Preference shareholders in case of dissolution of the Company will have the first claim upon the whole assets, the security is perfect. With such security the Mysore Government

should not have the least hesitation to invest its unused balances which are not likely to be required to be spent in the near future, in the new Preference shares. The market value of the Preference shares can never go below par as that of the Govt of India securities has. If anything they will be always at a small premium in the market, as the rate of interest is comparatively high, should it be necessary to sell them in future

Under these circumstances would the Mysore Government take up a few lakhs worth of these Preference shares before they are taken up by the old shareholders to whom they will be first offered or by others in the Bombay market, as they are likely to be almost at once? If you can hold out hopes of the Government investing in these shares, I would arrange to reserve for them any number you require

I know you will probably think that Government money should be invested in Government Riden securities or War Bonds only But with the equally good security offered by the Tata Steel Company and the far higher rate of interest, there would not be any doubt as to which investment should be preferred.

I hope to go to Sakchi next week, and do not mind seeing you at Bar

galore on this subject before
proceeding to Calcutta by the
East Coast Railway. In the
meantime could I ask for
the favour of your views by
wire? I should be much
obliged if you could kindly
let me know whether I might
hope that the Mysore Govern-
ment will take up the Re
Berar shares. I believe Hyderabad
and Baroda are almost
certain to take up large
numbers of these shares

I hope that besides the Government His Highness the Maharaja will also invest in the Preference Shares from his private funds. Would you kindly recommend the investment? And should I write to Mr Campbell or Mr Morris about the matter? Has His Highness returned from Kashmir, and if not when is he likely to return?

The shares are likely to be taken up almost immediately in Bombay. I am therefore anxious to hear from you reply by wire. Hoping you will kindly do me that favour I am

Yours sincerely
H J Bhabha

24/8 1/15 ₹ 5577

Peddar Road
Malabar Hill
Bombay
26 August 1918

Dear Sir Visvesvaraya,

In my letter of 24th August, I forgot to mention the particulars of the new Preference shares of the Tata Steel Co. The shares will be of the face value of Rs 100 each. The application and allotment call will be only 10 Rs. It will probably be payable about two months hence. The first call not to exceed Rs 15

BEAULIEU,
AVENUE ROAD,
BANGALORE.

on behalf of the Trust wishing
them success. I don't remember
where it was that we met any
years ago in the Co. May I suggest
that Mrs G. was going a trip
some where at the time? She would
be very upset to be omitted

Yours very
Alexander

P.S.
I shall be glad to hear
how Eric and his family
[illegible] 50th or 51st birthday
[illegible] which may be coming
[illegible] soon. Love

Rec 20/8

Pedder Road
Malabar Hill
Bombay
26 August 1918

My dear W Kantharaj Urs,

In my letter of the 24th Aug, I forgot to mention the particulars of the new Preference shares of the Tata Steel Co. The shares will be of the face value of Rs 100 each. The application and allotment call will be only 10 Rs. It will probably be payable about two months hence. The first call which will not

exceed Rs 15 will be payable on or after 1st April 1920. The subsequent calls not to exceed Rs 15 each will be made at intervals of not less than four months. I hope you will consider these terms reasonable and convenient.

The great point at present is to offer to purchase a certain number of shares as soon as possible, so that they may be secured before all are sold out

Yours sincerely

H J Bhabha

27

Pedder Road
Malabar Hill
Bombay
24 August 1918

Dear Mr Chakravarti,

I beg to inform you that the Tata Steel Co is issuing new Preference shares of 7 crores at 7½ per cent subject to income tax. These shares are as good as Govt of India securities as to point of security, and

they are far more paying than old shares already issued which are of the value of 6 crores, and the addition of the proposed Preference shares of $7\frac{1}{2}$ crores will raise the capital of the Company to $13\frac{1}{2}$ crores. The market value of the assets of the Company is of course immensely greater.

You will see therefore that as the Preference shareholders in case of dissolution of the Company will have the first claim on the total assets,

their security is perfect. With such security the Majors Government should not hear the least hesitation to invest its unused balances, which are not likely to be required to be spent in the near future, in the new Preference shares. The market value of the Preference shares can never go below par as that of the Govt of India securities has. If anything they will always be at a small premium in the market, as the rate of interest is compara-

fairly high, should it become
necessary to sell them in
future.

Under these circumstances
would the Mysore Government
take a few Lakhs worth of Pre-
ference shares before they are
all bought up by the old share-
holders & the general public?
They are likely to be taken up
almost at once. If there are
hopes of the Govt of Mysore
investing in these shares
I can arrange to reserve

2/ for them any number you require.

These shares may also be purchased from the Palace funds I should feel much obliged if you could kindly recommend them to H H the Gaura Raj in the absence of H H the Maharaja & induce him to buy as many shares from the Palace funds as possible.

Hyderabad & Baroda are likely to take up

large number of shares, also
Bhamagar cotton station and
the same applies there is sure
to be great in Bombay. It is
necessary therefore to make
up your mind about them
as early as possible. If
you can favour me with
early intimation by wire
of the number likely to be
purchased by Mysore,
I shall take steps to reserve
that number for you.

I can easily come down to Bangalore upon any more information or explanation you may require, if you so desire.

Hoping you are quite well, with kind regards

Yours sincerely

H J Bhabha

34

M's Tin
place in file
m
28/8 Pedder Road
Malabar Hill
16/28/8 Bombay
26 August 1918

Dear Mr Chakravarti,

In my letter of the 24th August, I forgot to mention the particulars of the new Preference shares of the Tata Steel Co. The shares will be of the face value of Rs 100 each. The application and allotment call will be only 10 Rs. It will probably be payable about two months hence. The first call which will not

exceed Rs 15 will be payable on or after the 1st April 1920. The subsequent calls not to exceed Rs 15 each will be made at intervals of not less than four months. I hope you will consider these terms reasonable and convenient

The next point at present is to offer to purchase a certain number of shares as soon as possible, so that they may be reserved before all are sold out

Yours sincerely
H J Bhabha.

Diwan Bahadur
J S Chakravarti M A

36

Bungalow 8

29.5.18

H.J.Bhabha Esqr.,

Pedder Road, Bombay.

RECEIVED YOUR TWO LETTERS ABOUT PURCHASING IRONCOS PREFERENCE SHARES. QUESTION IS BEING CONSIDERED. FINANCIA SECRETARY WILL COMMUNICATE DECISION. FEAR GOVERNMENT NOT LIKELY TO INVEST. HIS HIGHNESS IS XK STILL IN KASHMIR.

-DEWAN-

CO

29.5.18

This may be followed by a D.O. letter

CO

37

5952

Bangalore
31.8.18

(9

My dear Mr. Bhabha,

In reply to your letters of the 23rd and 26th instant, ~~xxxxx~~ enquiring whether His Highness' Government would be able to ~~xxx~~ invest in the Preference Shares issued by the Tata Iron & Steel Co, I sent a telegram ~~yesterday~~ to you on the 29th inst. as Under :-

His Highness the Maharaja will not be returing till about the middle of ~~next month~~ September. I would suggest your kindly writing to Mr. Mirza as regards investment from Palace funds. I shall also send him your letters.

Yours sincerely,

31.8.18

(Dewan)

WD A015—GPB—1,000—10-7-17

No. 22 of 1918-19 OFFICE OF THE PALACE CONTROLLER

MYSORE 7th Septr 1918

FROM

RAJAKARYAPRASAKTA,

B. RAMAKRISHNA ROW, Esq.,

14628 PALACE CONTROLLER,

MYSORE.

To

Rajamanthrapravina, Dewan Bahadur,

J.S.Chakravarti, Esq., M.A.,F.R.A.S., etc.,

Financial Secretary to the Government of Mysore,

B a n g a l o r e.

Sir,

I have the honor to state that it is learnt that the Tata Steel Company is issuing new preference shares of 7 crores at 7½ per cent and to request that you will be so good as to let me know if you are in receipt of any notice to that effect from Messrs. Tata Sons., Ltd., and if so, to let me have a copy of the same at your earliest convenience.

I have the honor to be,

S i r,

Your most obedeint servant,

B Ramakrishna Rao

Palace Controller.

VGB.

39 3. Drafts 11

G. R. S. VI—G/32]

SUBJECT.....

.....

.....

Diary No. of letter replied to .. ..

GENERAL AND REVENUE SECRETARIAT

( )

, the *191* .

Date of issue 14: Septr

Signed by W Srinivasaraghavan

Section Cur

File No. 65—18

Serial No. 3.

No. H 1529

Dy 14 Sept 18

To

Dear Mr. Bhabha

In Continuation of the telegram sent by the Dewan of Mysore on the 29th August ie Copy of which was sent with his D.O. letter No 5952 Dy 31. 8. 18. in regards to the question of investment in the New 7½% preference Shares which the Tata Iron & Steel Co^y are issuing, I am directed to state that the Govt do

over.

3 Drafts VI

13

G. R. S. VI—G/32]

SUBJECT.....

.....

.....

Diary No. of letter replied to 286

GENERAL AND REVENUE SECRETARIAT,
( )
, *the* 191 .

Date of issue 14 Sept

Signed by W Sreenivasan

Section 97
File No. 65-47
Serial No. 4.

No. H 1530

To The Palace Controller

Sir

With reference to your letter No 2287. 9. 18 requesting ~~that~~ be furnished with a Copy of the notice, if any, received from the Tata Steel Co. regarding issue of the New preference shares of 7 Crores at 7 1/2 per Cent ~~may be furnished~~, I am directed to state that Mr Bhabha gave

over.

140

not propose to interest in the Concern and That the holders of the shares Estate account to him also ~~not sufficient~~ no funds available for purchasing new preference shares

Yours Sincerely

M
18/9

Fin'l Secy

K
10/9/40

A. J. Bhabha Esq.
Pedar Road
Malabar Hill
Bombay.

List of enclosures.

Copied by

Examined by

W Dsg—GPB—60,000—15-11-16

information of the proposed
issue of new preference
shares in his DO letter addressed severally
~~simultaneously~~ to the Dewan,
1st Member & myself and
enquired whether Govt or
the Palace would purchase
~~Shares~~ some new Shares.
The question has been care-
fully considered by Govt, and their decision in the matter of purchasing new Shares is being communicated to Mr Bhabha.
~~and~~ I am to forward for
your information a Copy
of D.O. letter ~~communicated~~ addressed to
Mr Bhabha's ~~communications~~ and also a copy of the
~~Govt~~ Govt order re. the
payment of interest on
the accumulated balances
of the P.F. Accounts &
their ~~right to encourage~~ ~~enable~~ the ~~Raja~~ ~~Rajas~~ to
to retain their funds with
Govt. The action taken in
the matter will it is hoped
~~Suffice for the present~~.

List of enclosure

Copied by

Examined by

D. Lawe

WNSG—GPB—60,000—15-11-16

13.9.16

~~18~~ 12/9/16 The Secretary

B Class / Prefix | _____ Code

POSTS TELEGRAPHS No. 242

Recd. at _____ H. _____ M. | Sent at _____ H. _____ M. | Office Stamp

From _____ | To _____

By _____ | By _____

Office of Origin. | Date. | Service Instructions. | Words

Lucknow | 13/11/17 | Ack Hqrs

TO

Financial Secretary

Naini Tal

Refers to Hqrs. No. [illegible] dated [illegible] re [illegible]

N.B.—The name of the Sender, if telegraphed, should be written after, but separated from, the text.

Lal Chand & Sons, Calcutta—No. 4672 Tel.—8-1-17—1,50,000 Bks.

3 Drops

16

Proceedings of the Govt of H.H.
the Maharaja of Mysore.

Order No. H 1531-2
Fin 65-18-5
Dated Bangalore 14 Sept 18

Under the rules in force (Vide para 740 Mysore Treasury Manual) all receipts and payments on account of -- palace including the Civil List and pensions to the Ruling family are shown in the Government accounts under the Debt Head - Palace Deposits - and no interest is allowed on the credit -- balances of such deposits. It is -- pointed out that under the present arrangement ~~some~~ the savings of the personal estate accounts out of pensions and other receipts of previous years get merged in the current year's transactions and that ~~there is no inducement to~~ the holders of Personal Estate accounts do not get any interest on ~~to keep~~ their accumulated savings kept in the treasury.

Government consider it desirable that the accumulated savings of the holders of Personal Estate Accounts should be -- allowed interest under the ordinary Savings Bank rules and rates. They are accordingly -- pleased to ~~pass the following orders~~ sanction the following rules temporarily ~~Limiting~~ for a period of 1 year.

The Comptroller will in future open -- regular Savings Bank Accounts for each -- Personal Estate account, ~~as~~ separate from the ordinary account and credit to the ~~Government~~ former, The balances at the credit of any account on 30th June preceding and

and operate on such accounts also on behalf of the holders

Interest on the balances in the separate Savings Bank accounts will be allowed under the Savings Bank rules. There is also no objection to -- credit to such accounts receipts during the year other than -- pensions payable by Government, and allow interest on them likewise.

18/9/18

Financial Secretary to Govt.

To 18/12/9/18

The Comptroller, Mysore Govt.

The Palace Controller.

D. O. No 325 PALACE CONTROLLER'S OFFICE D 874

Mysore 16.9.1918.

GT 605-18-6.

My Dear Sir Chakravarti

Mr. Lee asks if I will write to Bhabha's latter endeavouring to secure Preference Shares in the Tata Steel Company now being issued for the relieving their Bombay workers. May I request your favour in this matter by kindly pressing upon the Registrar the formalities and the desirability of encouraging applications for these Shares to be received

Yours Sincerely

B Rangaswamy Iyengar

Peddar Road,

Malabar Hill,
Bombay,
29th August 1918.

Dear Mr. Campbell,

The Tatas are issuing 7 crores worth of preference Shares of the Tata Steel Company for the extension of their Iron Works. They have already been underwritten. The terms offered are so liberal that there is a great rush for these shares from Native States, Banks, the old share-holders and the general public. I should feel much obliged if you could kindly inform His Highness the Maharaja of the terms of these shares so that he might have a chance of investing the unused balances both of the Mysore Government and the Palace Funds. The shares are now obtainable from the underwriters alone; and as I am underwriting some, I shall esteem it a great favour if His Highness is pleased to buy from me or through me. It is because they are such an excellent investment that I venture to hope His Highness may see his way to invest in them.

The Preference Shares will bear interest at 7½% subject to Income Tax, or in other words slightly over 7% free from Income Tax. The actual value of the Company's assets is 13 crores and as the Preference Share-holders will have the first claim upon the assets of the company in case of dissolution of the Company, the security of the Preference Shares is as good as perfect. With such security and rate of interest, I hope His Highness the Maharaja may sanction the investment of unused-balances both of the Government of Mysore and the Mysore Palace in these shares. The market value of these shares will never go below the Par, and they will be always saleable at a small premium probably, should there be any need to sell them.

As you might imagine the rush upon these shares is

is very great. If there is any hope of His Highness investing in them, I could arrange to reserve for His Highness the number of shares he may require.

The face value of the shares will be Rs.100/- per share, which will be called up by small and easy instalments. The application and allotment call will be only Rs.10/- per share and the first call of Rs.15/- will be made on or after 1st April 1920. The subsequent calls will not exceed Rs.15/- and will be made at intervals of not less than four months. The application and allotment call of Rs.10/- will have to be paid in about two months' time.

I hope His Highness has had good time in Kashmir.

With kind regards.

I am,

Yours sincerely,

Sd/-H.J.Bhabha.

****

"C o p y"

Document No. 2
Palace Controller's Office
16.9.20.

VGB.

GENERAL AND REVENUE SECRETARIAT
Financial Secretariat,

D. O. NO. R 1705
G7 65-18-7.

Bangalore, Dated 14 September *1918*

Dear Mr. Ramakrishna Rao,

1. I write to acknowledge your D.O. letter dated 16th September 1918 regarding investment in the new preference shares of the Tata Steel Company

2. I believe you have received by now my official letter No. Fl.1530/G.F.65-17-4 dated the 14th September 1918, enclosing a copy of the Government Order No. Fl.1531-2/G.F.65-18-5 dated 14th September 1918 communicating the decision of Government in the matter.

3. The despatch of this communication was intimated to you by wire on the 14th Instant in reply to your telegram of the previous date.

4. For ready reference I however send another copy of my letter ~~to~~ of the 14th with its enclosures.

Yours sincerely,

Financial Secretariat,

September 8

Dear Mr. Ramakrishna Rao,

1. I write to acknowledge your D.O. letter dated 16th September 1918 regarding investment in the new preference shares of the Tata Steel Company.

2. I believe you have received by now my official letter No. Fl.1530/G.F.65-17-4 dated the 14th September 1918, enclosing a copy of the Government Order No. Fl.1531-2/G.F.65-18-5 dated 14th September 1918 communicating the decision of Government in the matter.

3. The despatch of this communication was intimated to you by wire on the 14th Instant in reply to your telegram of the previous date.

4. For ready reference I however send another copy of my letter to of the 14th with its enclosures.

Yours sincerely,

23/9/18